Overcharging on anti-TB and anti-Leprotic drugs

646. SHRI CHANDRIKA PRASAD TRIPATHI: Will the Minister of INDUSTRY be pleased to refer to the answer to Unstarred Question 1385 given in the Rajya Sabha on the 9th May, 1988 and state:

(a) when was the amount due from the 17 drug companies in regard to the overcharging the price of Rifampicin and its formulations was worked out;

(b) whether it is a fact that since last two years, no initiative has been taken by his Ministry to recover the amount which is more than Rs. 8 crores overcharged by the drug companies from poor TB and Leprotic patients;

(c) what are the reasons for the non-recovery of the amount and who are responsible for the same;

(d) what action has been taken against those who are delaying the recovery process; and

(e) by when the amount due will be recovered?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (e) Amount due from the companies were worked out between 1984 and 1987. Necessary action has been taken as per due process of law.

Break-up relating to price decontrolled drugs

647. SHRI CHANDRIKA PRASAD TRIPATHI: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that his Ministry has amended the proformas for providing the break-up in respect of price decontrolled drugs and finished medicines;

(b) if so, what are the reasons for which the proformas have been amended within a short period after the announcement of DPCO;

(c) what are the details required in the original proformas and what details have been deleted along with the details now required under amended proformas;

(d) whether it is also a fact that his Ministry can neither make any scrutiny nor monitor the price increase on the basis of the amended proformas;

(e) whether it is also a fact that the amended proformas have been designed in such a way that neither the cost of utilities nor conversion cost etc., are required to be provided; and

(f) if so, what purpose it will serve?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) Yes, Sir

(b) Keeping in view of the requirement for monitoring the prices of non-scheduled items proformas have been amended.

(c) the details required in original proformas contained in Form-I and Form-2 of DPCO 1987, have been shortended to Form 1A and 2A. The details of Form 1A and Form 2A are given in the enclosed Statement I and II respectively. (*See* below).

(d) to (f) No, Sir, the monitoring of prices of non-scheduled items of DPCO 1987 is done by the Government on case to case basis effectively.

Statement-I

"FORM 1-A

(Information to be submitted in respect of price of non-scheduled bulk drug under paragraph 4 to be submitted in duplicate)

1. Name of the Bulk drug

2. Name of the Manufacturer

3. Address of the Registered Head Office of the manufacturer

4. Address of the Factory

5. Licensed Capacity

(a) Industrial Licence/SSI Registration No.

(b) Date of issue of the Licence/Date of Registration

(c) Production capacity Licensed Tonnes/Kgs./Litres etc.

6. Installed capacity per annum

7. Date of commencement of Commercial production

8. Actual production achieved during the last accounting year/current year, Tonnes/Kgs./Litres etc,

9. Brief note on the manufacturing process

10. Estimated production of the bulk drug during the next three years

11. If the production is proposed to be captively consumed for manufacture of the formulation, please furnish the quantity to be so consumed out of the production given against Sl. No. 8 and Sl.No.10.

12. Please furnish latest CIF price of the bulk drug if the same had been imported or is being imported by you or any other agency known to you.

13. please furnish the cost of prodution of the bulk drug as per annexure.

NOTE: Please furnish a copy of each of audited balance sheet and profit and Loss account for the last three years.

ANNEXURE

I. Name of Bulk Drug

II. Raw materials

Main Ingredients

Name

Qty per Kg.

Cost

III. Cost of production

IV. Cost of Sales

V. Profit Margin

VI. Selling price (IV+V)

VII. Existing prices with effective date. The information furnished in this form is to be certified by Authorised Signatory of the Company and Chartered/Cost Accountant."

Statement-II

FORM 2-A

(Information to be submitted in respect of prices of non-scheduled formulation under paragraph II-to be submitted in duplicate)

1. Name of the Manufacturer

2. Address of the Registered Head Office of the Manufacturer

3. Name of the formulation

4. Compostition as per label claim and approval by Drug Control Authorities

5. Type of packing

6. Size of packs

7. Break-up of Retail Price: Existing now claimed price Rs./Pack (if any, date

a. *Material Cost*

b. Conversion Cost.

c. Packing Material cost

d. packing charges

e. Ex-factory cost (a) to (d)

f. MAPE %on (e) above

g. Excise Duty

h. Retail Price (R.P.) (e+f+g).

8. Rates of active ingredients.

The information furnished in this form is to be certified by authorised signatory of the company and a Chartered/Cost Accountant."

DPEA Arrears

648. SHRI BEKAL UTSAHI:
SHRI RAJNI RANJAN SAHU:

Will the Minister of INDUSTRY be pleased to refer to the answer to Unstarred Question 1462 given in the Rajya Sabha on the 9th May, 1988 and state:

(a) whether it is a fact that the huge amount is due to be recovered from drug companies since last 7 years which has been overcharged from consumers on Gentamycin,Doxycycline, Rifampicin, Matranidazone Ampicillin and number of other drugs;

(b) what are the details of action taken as per the process of law during the last five years;

(c) what are the details of the provisions under the Price Control Order, Essential Commodities Act, opinion of Law Ministry and relevant law regarding the recovery of unintended benefits made on medicines by overcharging the poor consumers; and

(d) what are the reasons for not utilising the powers under law even after clearance from Law Ministry?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) and (b) Amount are recoverable from some companies under Para 7 of the DPCO, 1979. Notices have been issued to some companies for recovery of the amount.

(c) Provisions relating to recovery of amount are contained in Para 17 and 29 of the Drugs (Prices Control) Order, 1979 which was laid on the Table of the House Provisions for recovery of amount are also contained in Sections 7 and 7-A of Essential Commodities Act, 1955.

(d) Necessary action has been taken as per due process of law.

Unintended benefit on Dipyridamol

649. SHRI BEKAL UTSAHI: Will the Minister of INDUSTRY be pleased to state:

(a) what is the period during which poor masses were overcharged on medicines based on Dipyridamol;

(b) what is the total amount due towards the companies from the date of price fixation of Dipyridamol upto August, 1987 and upto what period the amount of around Rs. 60 lakhs was finalised;

(c) what steps have been taken to recover the amount during the last two years; and

(d) what was the production, export and utilization of Dipyridamol during the